



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB7325

Introduced 9/15/2004, by Rep. Bill Mitchell

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-171

from Ch. 108 1/2, par. 7-171

Amends the IMRF Article of the Illinois Pension Code. Provides that, at any time, the Board may require a municipality to submit to the Board (i) a certified copy of the ordinance for that tax levy, (ii) a certified copy of the ordinance for the appropriation for municipality contributions, and (iii) if the levy exceeds the contribution, a statement of the reason for the additional amount. Provides that the tax collecting authority may not extend a levy for an amount greater than the amount appropriated for municipality contributions unless the additional amount is authorized for a school district or has been approved by the Board. Provides that, as a condition of approval, the Board may require the tax collecting authority to pay the revenue derived from the tax levy directly to the Fund rather than to the treasurer of the municipality levying the tax. Provides that the provisions of this amendatory Act of the 93rd General Assembly do not apply to a municipality that is a county with more than 500,000 inhabitants or is located, in whole or in part, in such a county. Effective immediately.

LRB093 23381 LRD 53395 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 7-171 as follows:

6 (40 ILCS 5/7-171) (from Ch. 108 1/2, par. 7-171)

7 Sec. 7-171. Finance; taxes.

8 (a) Each municipality other than a school district shall
9 appropriate an amount sufficient to provide for the current
10 municipality contributions required by Section 7-172 of this
11 Article, for the fiscal year for which the appropriation is
12 made and all amounts due for municipal contributions for
13 previous years. Those municipalities which have been assessed
14 an annual amount to amortize its unfunded obligation, as
15 provided in subparagraph 5 of paragraph (a) of Section 7-172 of
16 this Article, shall include in the appropriation an amount
17 sufficient to pay the amount assessed. The appropriation shall
18 be based upon an estimate of assets available for municipality
19 contributions and liabilities therefor for the fiscal year for
20 which appropriations are to be made, including funds available
21 from levies for this purpose in prior years.

22 (b) For the purpose of providing monies for municipality
23 contributions, beginning for the year in which a municipality
24 is included in this fund:

25 (1) A municipality other than a school district may
26 levy a tax which shall not exceed the amount appropriated
27 for municipality contributions.

28 (2) A school district may levy a tax in an amount
29 reasonably calculated at the time of the levy to provide
30 for the municipality contributions required under Section
31 7-172 of this Article for the fiscal years for which
32 revenues from the levy will be received and all amounts due

1 for municipal contributions for previous years. Any levy
2 adopted before the effective date of this amendatory Act of
3 1995 by a school district shall be considered valid and
4 authorized to the extent that the amount was reasonably
5 calculated at the time of the levy to provide for the
6 municipality contributions required under Section 7-172
7 for the fiscal years for which revenues from the levy will
8 be received and all amounts due for municipal contributions
9 for previous years. In no event shall a budget adopted by a
10 school district limit a levy of that school district
11 adopted under this Section.

12 (b-5) At any time the Board may require a municipality to
13 submit to the Board (i) a certified copy of the ordinance for a
14 tax levy for municipality contributions authorized under this
15 Section, (ii) a certified copy of the ordinance for the
16 appropriation for municipality contributions, and (iii) if the
17 levy exceeds the contribution, a statement of the reason for
18 the additional amount.

19 As provided in subdivision (b)(1), the amount of a levy
20 under this Section may not exceed the amount of the
21 appropriation for corresponding municipality contributions,
22 except for any additional amounts levied by a school district
23 as authorized under subdivision (b)(2) and except for any
24 additional amounts otherwise authorized under this Article
25 that have been approved by the Board.

26 The tax collecting authority may not extend a levy under
27 this Section for an amount greater than the amount appropriated
28 for corresponding municipality contributions, unless the
29 additional amount is authorized under subdivision (b)(2) or has
30 been approved by the Board. As a condition of its approval, the
31 Board shall require that the tax collecting authority pay the
32 revenue derived from the tax levy directly to the Fund rather
33 than to the treasurer of the municipality levying the tax.

34 Money paid to the Fund by a municipality under this
35 subsection (b-5) shall be held in a trust account on behalf of
36 the municipality and shall be used only for the purpose of

1 paying the municipality's contributions that are required
2 under this Section. If the amount paid to the Fund by a
3 municipality in any year is greater than the amount needed to
4 pay the required municipality contributions for that year, the
5 Fund shall use that money to offset the required municipality
6 contributions of the municipality in the following year.

7 The provisions of this subsection (b-5) do not apply to a
8 municipality that is a county with more than 500,000
9 inhabitants or is located, in whole or in part, in such a
10 county.

11 (c) Any county which is served by a regional office of
12 education that serves 2 or more counties may include in its
13 appropriation an amount sufficient to provide its
14 proportionate share of the municipality contributions for that
15 regional office of education. The tax levy authorized by this
16 Section may include an amount necessary to provide monies for
17 this contribution.

18 (d) Any county that is a part of a multiple-county health
19 department or consolidated health department which is formed
20 under "An Act in relation to the establishment and maintenance
21 of county and multiple-county public health departments",
22 approved July 9, 1943, as amended, and which is a participating
23 instrumentality may include in the county's appropriation an
24 amount sufficient to provide its proportionate share of
25 municipality contributions of the department. The tax levy
26 authorized by this Section may include the amount necessary to
27 provide monies for this contribution.

28 (d-5) A school district participating in a special
29 education joint agreement created under Section 10-22.31 of the
30 School Code that is a participating instrumentality may include
31 in the school district's tax levy under this Section an amount
32 sufficient to provide its proportionate share of the
33 municipality contributions for current and prior service by
34 employees of the participating instrumentality created under
35 the joint agreement.

36 (e) Such tax shall be levied and collected in like manner,

1 with the general taxes of the municipality and shall be in
2 addition to all other taxes which the municipality is now or
3 may hereafter be authorized to levy upon all taxable property
4 therein, and shall be exclusive of and in addition to the
5 amount of tax levied for general purposes under Section 8-3-1
6 of the "Illinois Municipal Code", approved May 29, 1961, as
7 amended, or under any other law or laws which may limit the
8 amount of tax which the municipality may levy for general
9 purposes. The tax may be levied by the governing body of the
10 municipality without being authorized as being additional to
11 all other taxes by a vote of the people of the municipality.

12 (f) The county clerk of the county in which any such
13 municipality is located, in reducing tax levies shall not
14 consider any such tax as a part of the general tax levy for
15 municipality purposes, and shall not include the same in the
16 limitation of any other tax rate which may be extended.

17 (g) The amount of the tax to be levied in any year shall,
18 within the limits herein prescribed, be determined by the
19 governing body of the respective municipality.

20 (h) The revenue derived from any such tax levy shall be
21 used only for the purposes specified in this Article and, as
22 collected, shall be paid, except as otherwise provided in this
23 Section, to the treasurer of the municipality levying the tax.
24 Monies received by a county treasurer for use in making
25 contributions to a regional office of education for its
26 municipality contributions shall be held by him for that
27 purpose and paid to the regional office of education in the
28 same manner as other monies appropriated for the expense of the
29 regional office.

30 (i) The Board may adopt rules, as necessary, to administer
31 the changes made to this Section by this amendatory Act of the
32 93rd General Assembly.

33 (Source: P.A. 89-329, eff. 8-17-95; 90-448, eff. 8-16-97;
34 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

35 Section 99. Effective date. This Act takes effect upon

1 becoming law.